

## REPORT WRITING

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### Report Writing

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#### Type of Participant Targeted

Report Writing is designed for System assistant examiners subject to SR 98-2, regardless of specialties, when they are beginning to write significant parts of examination reports and other supervisory products. The word "significant" leaves each Reserve Bank in control of when its assistant examiners take the course. The reasoning is that Reserve Banks differ in their expectations of when their assistant examiners will begin to write and how much of a document they will write. These expectations also differ not only among Reserve Banks, but also from area to area in any specific Bank.

#### Prerequisites

Assistant Examiners should have had some exposure to writing at least parts of basic examination reports and other supervisory documents before registering for Report Writing. Ideally, participants should have at least one year of experience on the job or should be beginning to write one or more of the products listed under the "Course Overview" before attending the course. Although Report Writing is not an analytical course per se, the participant must have a fundamental understanding of financial analysis in order to write coherently and to maximally benefit from Report Writing.

#### Course Overview

Course materials focus on a simultaneous, two-pronged approach: (1) The supervisory process and selected risk-focused supervisory products common to our major constituencies and (2) the report-writing process.

**The Process and Selected Risk-Focused Supervisory Products.** The following risk-focused products, subject to change as supervision evolves, will be addressed in varying degrees in the context of the overall supervisory processes of the

#### **Small Domestic, Regional/Community Banks and FBOs**

- ❑ Scope Memos
- ❑ First-Day Letters/Questionnaires
- ❑ Examination Reports with special emphasis on page one (examiners' comments and conclusions), scope section (a distilled scope memo), the risk profile/management section, and a short profile of the Confidential Section)
- ❑ Transmittal Letters

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### LCBOs, Large Regional Banks and BHCs

- ☐ Institutional Overview (an overall summary/composite view of the institution, risks, findings, conclusions)
- ☐ Risk Assessment/Risk Matrix
- ☐ Supervisory Plan
- ☐ Scope Memorandum
- ☐ Management Letter

### Foreign Banking Organizations (FBOs)

- ☐ ROCA reports

Note: Capital Markets, Trust, and IT specialties will be integrated as appropriate into the above safety and soundness processes.

### Consumer Affairs

- ☐ CA Examination Report
- ☐ Compliance Scope Memo
- ☐ Risk Profile
- ☐ Other Documents: First-Day Letter/Questionnaire, Second-Request Letter, and Transmittal Letter

Examples of the CRA Performance Evaluation and the Fair Lending Scope Memo will be shared with participants. The CRA Performance Evaluation will be covered in CRA Analysis School, and the Fair Lending Scope Memo will be covered in the Fair Lending School. The "Other Documents" described above may be presented to participants as time permits based on individual Reserve Bank preference and need. The scope memo, examination report sections, and risk profile are required documents for the course.

**The Writing Process.** This process will be presented in three steps (1) Preparation, (2) Product Development, and (3) Edits/Revisions.

### Preparation

- ☐ Prioritize risks in written products according to importance.
- ☐ Organize content according to product requirements.
- ☐ Present issues by (1) enumerating facts and data, (2) discussing the consequences, (3) outlining corrective actions if needed, (4) making recommendations if appropriate.

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### **Product Development**

- ❑ Incorporate System policy guidance in developing written supervisory products.
- ❑ Effectively convey the importance of the specialty area's condition relative to the overall condition of the institution.
- ❑ Highlight the relationship of the documents to each other, the logical sequencing (i.e., how one document grows out of or expands the document that preceded it).
- ❑ Organize conclusions by (1) presenting and supporting the issue, (2) discussing the implications, (3) presenting corrective actions, and (4) presenting recommendations if appropriate.
- ❑ Support rationale for recommendations made in reports.
- ❑ Organize writing based on a thesis statement.
- ❑ Follow standard organization guidelines in developing paragraphs.
- ❑ Use appropriate tone, style, and sensitivity in communicating examination findings and risks.

### **Edits/Revisions**

- ❑ Critically review and revise drafts as needed.
- ❑ Be consistent and eliminate any contradictions between supporting facts and conclusions.

### **Course Construction and Design.**

The course is presented in the classroom with individualized coaching from each participant's functional area. The class is interactive and largely self-paced. How much is individualized coaching and how much is classroom presentation depends entirely on each Bank's assessment of its students. Classroom time focuses on instructor presentations with questions, instructor-led discussions, in-class writing assignments and skills practice, and small-group critiques of writing assignments. Each Reserve Bank is encouraged to select learning activities to suit its target audience and the individual needs of that group. Whether an instructor completes every example in every exercise is not important. The instructor completes only enough examples and material to be sure she or he has accomplished the objectives. The class facilitator tracks the participants' progress and answers any questions about the material.

The course consists of a combination of introductions to skills, skill practices, and individual exercises. Self-paced modules provide further knowledge and skill development for identified topics.

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Although System processes for documents preparation are emphasized, the course is intended to be taught regionally to allow an area Reserve Bank to address its own particular issues and constituency. Many parts of the material are optional, and each Reserve Bank can select the material, exercises, and examples that best fit its regional needs and the specialty areas of the participants.

### Course Objective

The revised edition of Report Writing provides a framework to aid assistant examiners in writing coherent documents that properly communicate essential supervisory issues and assessments to the target audience(s). The course covers a broader array of supervisory products, which, no matter how varied they may be among Reserve Banks, will address the common characteristics (content, concise structure, style/flow) that distinguish the notable examples within the Federal Reserve System.

### Post-Course Intervention

Post-course intervention will be required to enhance the knowledge and skills gained by participants during the course. Each Reserve Bank determines its own post-course intervention. Some Banks may choose to offer more classroom work; some may offer on-the-job assignments that both meet the training objectives and accomplish task-oriented parts of an actual job.] After completing the course, each participant should be given individualized, on-the-job assignments that will improve the retention of the knowledge and refinement of skills gained during class. Such on-the-job assignments include writing significant parts of a specialty or integrated examination report and other risk-focused documents and receiving constructive feedback.

### Overview of Report Writing Curriculum

Subject	Approximate Classroom Time	Approximate Homework Hours
Introduction to Course	1.00	—
Planning	2.00	—
Organization and Outlining	2.50	—
Outline on Management (For CA, the Compliance Mgt. Program)	.50	—

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Technical Writing Module	.50 (Self-paced)	___
Paragraph Development and Transitions	2.00	___
Write-up on Management Outline	1.00 (Self-paced)	___
Feedback	.50	
Professional Formality I	.50 (Self-paced)	___
Professional Formality II	.50 (Self-paced)	___
*Modules as Chosen by Regional Reserve Bank	1.50 to 2.00 days	___
Community Banks (Safety and Soundness)		
International/Foreign Banking Organizations (FBOs)		
Large Complex Banking Organizations (LCBOs)		
Consumer Affairs		

\*Depending on the specialty areas of the participants, a Bank can choose any of the listed modules.

### Learning Objectives

After completing this course, the participant, at a minimum, should possess the fundamental knowledge and to able to demonstrate the skills necessary to

- ☐ Draft risk-focused, supervisory products to conform to System guidelines.
- ☐ Prioritize conclusions in order of risk.
- ☐ Organize conclusions by (1) presenting and supporting the issue, (2) discussing the implications, (3) presenting corrective actions, and (4) presenting recommendations if appropriate.
- ☐ Organize supervisory issues into coherent comments, explanations, and recommendations, if necessary, according to document requirements.
- ☐ Organize page-one comments or executive summary into (1) a summary of the institution's financial condition and (2) if appropriate, disclosure of the institution's composite rating.
- ☐ Write with consistency in organization, tense, tone, and form.
- ☐ Use transitions to communicate importance of issues and to give documents a coherent and cohesive flow.
- ☐ Use appropriate Reserve Bank stylistic conventions for technical writing.

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\* Which modules a Bank chooses depends on the specialty areas of the participants

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### **Class Size**

The maximum class size is 12 participants. A subject matter coach should have no more than 4 participants.

### **Instructors**

The number of group facilitators/instructors for a classroom setting is flexible and depends on the specialty areas represented in the class. It is suggested that a class facilitator/instructor present the introduction and content parts of the instruction, handle the administrative duties of tracking the participants' progress on the modules, and give feedback on the following modules:

- ☐ Technical Writing
- ☐ Professional Writing I
- ☐ Professional Writing II

Subject matter coaches in the specialty areas should be available for consultation and evaluation for days 2 through 3 and until the end of the course, but need not be present during the entire class. Subject matter coaches should be effective writers and skilled in giving editorial feedback.